

Metis Business Fundamentals Project Proposal

The problem I am addressing is not a small or simple one. I am attempting to solve a problem that my target company might not even know it has yet. But while my hypothesis may be contrarian, radical even, I don't think it is baseless.

For this project I plan to address Brian Armstrong, the CEO of Coinbase. Coinbase is a large cryptocurrency exchange that allows users to buy and sell cryptocurrencies. They currently make their money off of trading fees and by receiving payments from founders of new coins in exchange for offering and promoting their coin on the Coinbase website. My hypothesis is that 'Crypto' as an industry is mostly a short term money grab. I have conviction that Bitcoin specifically is a major innovation that will be around for a long time. Perhaps there will be other coins as well, but Bitcoin is the only one that has truly been market tested. The data set I will use is a BTC/USD price chart from Kaggle. I will also find some non-tabular datasets and charts to show how Bitcoin compares to the thousands of other cryptos out there. The tools I will use are Excel and Tableau for visualizations.

I will inform Brian that his business model is short-sighted. Coinbase has done very well with crypto trading, but in the future I think retail investors will get sick of getting burned by all the sh*tcoins out there and will eventually land on Bitcoin as their coin of choice. Just like Blockbuster was totally disrupted by Netflix, Coinbase could be totally disrupted by Bitcoin-only businesses who focus on Bitcoin related applications like collaborative custody and lending.

I will propose that Coinbase starts to shift away from trading fees and promoting sh*tcoins as their main source of revenue and start to invest more in Bitcoin. Coinbase already has a large userbase. So if they can change their priority to Bitcoin-centric I believe they can hang on to their market share.

Establishing collaborative custody is one of the main ideas I think Coinbase could benefit from. The more people learn about Bitcoin the more they want to hold their own keys. But it is also intimidating to know that only YOU are responsible for your money. So this is where collaborative custody comes into play. Another idea is to promote bitcoin education, instead of the sh*tcoin propaganda videos they promote in order to get people to trade their bitcoin for "the next bitcoin". Integrating

the Lightning Network and other technical solutions are yet more ideas to help their business become long term sustainable.